

109TH CONGRESS  
2D SESSION

# S. 3122

To amend the Small Business Act to improve loans for members of the Guard and Reserve, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Ms. SNOWE (for herself and Mr. CRAIG) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To amend the Small Business Act to improve loans for members of the Guard and Reserve, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Patriot Loan Act of  
5       2006”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act—

8               (1) the term “activated” means receiving an  
9       order placing a member of the Guard and Reserve  
10      on active duty;

1           (2) the term “active duty” has the meaning  
2           given the term in section 101 of title 10, United  
3           States Code;

4           (3) the term “Administrator” means the Ad-  
5           ministrator of the Small Business Administration;

6           (4) the term “member of the Guard or Re-  
7           serve” means a member of a reserve component of  
8           the armed forces, as defined in section 10101 of title  
9           10, United States Code;

10          (5) the term “Secretary” means the Secretary  
11          of Defense;

12          (6) the term “small business concern” has the  
13          same meaning as in section 3 of the Small Business  
14          Act (15 U.S.C. 632); and

15          (7) the term “veteran” has the same meaning  
16          as in section 101(2) of title 38, United States Code.

17 **SEC. 3. GUARD AND RESERVE LOANS.**

18          (a) IN GENERAL.—Section 7(b)(3) of the Small Busi-  
19          ness Act (15 U.S.C. 636(b)(3)) is amended—

20               (1) in subparagraph (E), by striking  
21               “\$1,500,000” each place such term appears and in-  
22               serting “\$2,000,000”; and

23               (2) by adding at the end the following:

1           “(G) Notwithstanding any other provision  
2           of law, a loan not greater than \$25,000 may be  
3           made under this paragraph without collateral.

4           “(H) The Administrator shall give priority  
5           to any application for a loan under this para-  
6           graph and shall process and make a determina-  
7           tion regarding such applications prior to proc-  
8           essing or making a determination on other loan  
9           applications under this subsection, on a rolling  
10          basis.”.

11       (b) LOAN INFORMATION.—

12           (1) IN GENERAL.—The Administrator and the  
13       Secretary shall develop a joint website and printed  
14       materials providing information regarding the pro-  
15       gram under section 7(b)(3) of the Small Business  
16       Act.

17           (2) MARKETING.—The Administrator is author-  
18       ized—

19           (A) to advertise and promote the program  
20       under section 7(b)(3) of the Small Business Act  
21       jointly with the Secretary and veteran’s service  
22       organizations; and

23           (B) to advertise and promote participation  
24       by lenders in such program jointly with trade

1           associations for banks or other lending institu-  
2           tions.

3 **SEC. 4. STUDY.**

4       (a) IN GENERAL.—The Administrator and the Sec-  
5 retary shall jointly conduct a study of the feasibility of—

6           (1) creating a business mobilization and inter-  
7 ruption insurance program for members of the  
8 Guard or Reserve who own or operate small business  
9 concerns;

10          (2) creating an insurance program to repay  
11 debts to the Administrator in the event of the death  
12 or significant injury of a member of the Guard or  
13 Reserve who is activated; and

14          (3) increasing the utilization of credit unions  
15 affiliated with the Department of Defense in pro-  
16 grams administered by the Administrator.

17       (b) REPORT.—Not later than 6 months after the date  
18 of enactment of this Act, the Administrator and the Sec-  
19 retary shall submit a joint report to the Committee on  
20 Small Business and Entrepreneurship of the Senate and  
21 the Committee on Small Business of the House of Rep-  
22 resentatives regarding the study conducted under sub-  
23 section (a).

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